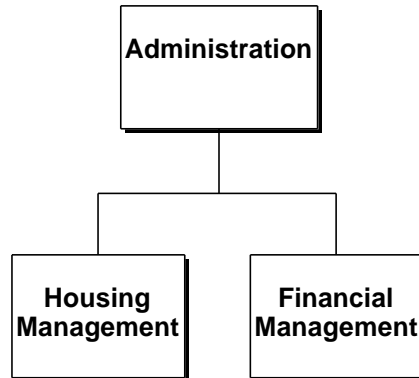


**DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
FUND 966, SECTION 8 ANNUAL CONTRIBUTION**



FUND 966
SECTION 8 ANNUAL CONTRIBUTION

Agency Position Summary

| | | | | |
|----------|-------------------|---|------------|---------------------|
| 35 | Regular Positions | / | 35.0 | Regular Staff Years |
| <u>3</u> | Grant Positions | / | <u>3.0</u> | Grant Staff Years |
| 38 | Total Positions | / | 38.0 | Total Staff Years |

Position Detail Information

ADMINISTRATION

| | |
|----------|-----------------------------|
| 1 | Network/Telecom Analyst III |
| <u>1</u> | Programmer Analyst II |
| 2 | Positions |
| 2.0 | Staff Years |

FINANCIAL MANAGEMENT

| | |
|----------|--------------|
| <u>1</u> | Accountant I |
| 1 | Position |
| 1.0 | Staff Year |

HOUSING MANAGEMENT

| | |
|----------|------------------------------------|
| 2 | Housing Services Specialists IV 1G |
| 3 | Housing Services Specialists III |
| 19 | Housing Services Specialists II 2G |
| 1 | Human Services Coordinator II |
| 4 | Human Services Assistants |
| 1 | Secretary I |
| 1 | Administrative Aide |
| 2 | Account Clerks II |
| 1 | Clerical Specialist |
| <u>1</u> | Accounting Technician |
| 35 | Positions |
| 35.0 | Staff Years |

G Denotes Grant Positions

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SECTION 8 ANNUAL CONTRIBUTION

AGENCY MISSION

To ensure that participants in the Federal Section 8 Rental Assistance Program are provided with decent, safe, and affordable private market housing.

AGENCY SUMMARY

| Category | FY 1999 Actual | FY 2000 Adopted Budget Plan | FY 2000 Revised Budget Plan | FY 2001 Advertised Budget Plan | FY 2001 Adopted Budget Plan |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Authorized Positions/Staff Years | | | | | |
| Regular | 35/ 35 | 35/ 35 | 35/ 35 | 35/ 35 | 35/ 35 |
| Grant | 3/ 3 | 3/ 3 | 3/ 3 | 3/ 3 | 3/ 3 |
| Expenditures: | | | | | |
| Personnel Services | \$1,673,483 | \$1,913,614 | \$1,925,027 | \$2,021,766 | \$2,070,557 |
| Operating Expenses | 21,385,500 | 23,507,714 | 23,221,275 | 23,182,549 | 23,182,549 |
| Capital Equipment | 887 | 1,300 | 1,300 | 9,259 | 9,259 |
| Total Expenditures | \$23,059,870 | \$25,422,628 | \$25,147,602 | \$25,213,574 | \$25,262,365 |

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The 2.5 percent cost-of-living/market rate adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$48,791 to Fund 966, Section 8 Annual Contributions.

County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

The FY 2001 funding of \$25,213,574 consists of housing assistance payments of \$22,747,400 and administrative expenses of \$2,466,174 to support 3,177 Section 8 project units as part of the Federal Housing Assistance Program for lower income families. As of August 1998, the U.S. Department of Housing and Urban Development (HUD) has authorized 1,171 certificates and 1,617 vouchers to subsidize Fairfax County residents. Additional Section 8 programs administered by the Fairfax County Redevelopment and Housing Authority (FCRHA) include 389 new construction units. As of September 1999, Fairfax Department of Housing and Community Development has administered 351 certificates and vouchers from other jurisdictions under the portability feature of Section 8.

Under Fund 966, Section 8, Annual Contribution rental subsidies are provided by HUD to cover the difference between a market-established rent and the rent which is determined to be affordable at a given family's income level. In some cases, the Section 8 subsidies are associated with a particular housing development and in other cases they are transferable with the tenant. Private developers, local housing authorities, and State housing finance agencies all participate in different aspects of this program which include existing housing certificates and vouchers, and new construction projects. On October 1, 1999, Section 8 certificates and vouchers were merged into one program called the "Housing Choice

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SECTION 8 ANNUAL CONTRIBUTION

Voucher Program.” Another program change in FY 1999 resulted in absorbing portability tenants into the FCRHA Voucher or Certificate Program except for VHDA clients, Alexandria City clients, and Arlington County clients.

The Section 8 program is a Federal Housing Assistance Program for lower income families seeking housing in the private market place. The basic concept is the same for all components of the program. HUD provides funds to pay a portion of the family's rent. In most cases, this subsidy is the difference between 30 percent of the eligible family's income and a HUD-approved Fair Market Rent (FMR) for a housing unit, although FMRs are different for each program component. The rent subsidy payments are made pursuant to a Housing Assistance Payments (HAP) Contract with the owner of the housing. Housing authorities administer the contract for these subsidy funds on behalf of HUD, which involves making the monthly subsidy payments, verifying that those benefiting from the subsidy are eligible, and monitoring compliance with Federal regulations. This is done pursuant to an Annual Contribution Contract between the housing authority and HUD. Prior to FY 1997, fees established by HUD covered expenses associated with administering the HAP contracts; however, in October 1996, Congress approved a change in the fee schedule that reduced the amounts that could be recovered by Public Housing Authorities.

The current income limits for most components¹ of the Section 8 program as established by HUD, effective as of January 27, 1999, are shown below:

| Household Size | Very Low Income | Lower Income |
|----------------|-----------------|--------------|
| 1 | \$27,550 | \$33,450 |
| 2 | \$31,500 | \$38,250 |
| 3 | \$35,400 | \$43,000 |
| 4 | \$39,350 | \$47,800 |
| 5 | \$42,500 | \$51,600 |
| 6 | \$45,650 | \$55,450 |
| 7 | \$48,800 | \$59,250 |
| 8+ | \$51,950 | \$63,100 |

¹ Bridle Creek (new construction project) has a lower set of limits because it is located in a different geographical location - southeastern Virginia.

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SECTION 8 ANNUAL CONTRIBUTION

| FY 2001 SUMMARY OF PROJECTS | |
|--|------------------------|
| PROJECTS | NUMBER OF UNITS |
| Existing Certificates | 1,171 |
| Consolidated Vouchers ¹ | 1,617 |
| Bridle Creek (New Construction) ² | 131 |
| Strawbridge Square (New Construction) | 127 |
| Island Walk (New Construction) | 101 |
| Briarcliff (New Construction) | 30 |
| Subtotal Contract P-2509 | 3,177 |
| Total Fund 966³ | 3,177 |

¹ Actual number of vouchers issued will be lower than HUD-approved count due to local market conditions.

² The Bridle Creek project is located in Virginia Beach, VA, and is administered by FCRHA.

³ This total does not include portability certificates (172) and vouchers (179) administered by HCD as of September 1999.

Fund 966 covers the following components in FY 2001:

- New Construction - 389 units

Under the New Construction and Moderate Rehabilitation components of the Section 8 program, 389 units have been made available for recipients of Section 8 housing assistance payments. FCRHA administers these payments, and the projects are privately owned.

- Existing Certificates - 1,171 issued through the FCRHA and 172 Portable
- Existing Vouchers – 1,617 issued through the FCRHA and 179 Portable

Under these components of the Section 8 program, Local or State housing authorities contract with HUD for Section 8 subsidy funds and issue vouchers to eligible households who may lease any appropriately sized, standard quality rental unit from a participating landlord.

The Housing Authority maintains a waiting list of those seeking a Section 8 voucher or certificate, verifies applicant income eligibility before issuing a certificate or voucher, inspects the unit the family selects to ensure compliance with Section 8 Housing Quality Standards, computes the portion of the rent the family must pay or the maximum subsidy, contracts with the landlord to pay the subsidy, recertifies eligibility annually, and maintains required financial records and reports. The owner of the housing (landlord), not the Housing Authority, selects those families to whom the landlord will rent and renews or terminates the family's lease in accordance with the terms of the lease.

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Funding Adjustments

The following funding adjustments from the FY 2000 Revised Budget Plan are necessary to support the FY 2001 program:

- An increase of \$46,044 due to the implementation of the new Pay for Performance program in FY 2001. The new system links annual pay increases to employee performance.
- An increase of \$38,892 due to the implementation of the Market Pay Study. As a result of the Study, incumbents in job classes that are found to be one grade below the market will be moved to the appropriate grade and receive a 2.0 percent market adjustment. Incumbents in classes found to be two or more grades below the market will be moved to the appropriate grade and receive a 4.0 percent market adjustment. In addition, funding is held in reserve to provide all employees with a 2.5 percent cost-of-living/market adjustment.
- An increase in Personnel Services of \$11,803 based on the current salary grade of existing positions and associated fringe benefits.
- A decrease of \$59,264 in Administrative Fees which are paid to other jurisdictions for housing certificates and vouchers primarily reflecting the reduction of fees due to the current trend of absorbing clients from other jurisdictions.
- A net increase of \$20,538 in operating expense funding primarily due to an increase in the pro-rated general and administrative costs for expenses spread across housing funds.
- Capital Equipment in the amount of \$9,259 for additional lateral files to store caseloads created by new programs, hand held property inspector devices and software to meet the increased requirements for the new voucher programs, and digital camera and camcorder to document conditions of housing units.

The following funding adjustments reflect all approved changes in the FY 2000 Revised Budget Plan since passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999:

- As part of the FY 1999 Carryover Review, a decrease of \$275,026 primarily due to the budget adjustments approved by HUD for HAP. This is the result of the transition to a Voucher program from a Voucher and Certificate program that provides for larger tenant contributions toward rent, thus reducing the amount of assistance payments.

FUND 966

SECTION 8 ANNUAL CONTRIBUTION

FUND STATEMENT

Fund Type H96, Federal Section 8 Rental Assistance

Fund 966, Section 8
Annual Contribution

| | FY 1999 Actual | FY 2000 Adopted Budget Plan | FY 2000 Revised Budget Plan | FY 2001 Advertised Budget Plan | FY 2001 Adopted Budget Plan |
|---|----------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Beginning Balance | (\$3,072,647) | \$187,055 | (\$298,217) | \$558,354 | \$558,354 |
| Revenue: | | | | | |
| Annual Contributions ¹ | \$20,270,035 | \$20,796,063 | \$22,204,173 | \$22,204,173 | \$22,204,173 |
| Other Charges ² | 378,202 | 335,243 | 200,000 | 206,422 | 206,422 |
| Miscellaneous Revenue ³ | 5,186,063 | 4,111,171 | 3,600,000 | 2,600,000 | 2,600,000 |
| Total Revenue | \$25,834,300 | \$25,242,477 | \$26,004,173 | \$25,010,595 | \$25,010,595 |
| Total Available | \$22,761,653 | \$25,429,532 | \$25,705,956 | \$25,568,949 | \$25,568,949 |
| Expenditures: | | | | | |
| Housing Assistance Payments ¹ | \$20,940,104 | \$23,033,839 | \$22,747,400 | \$22,747,400 | \$22,747,400 |
| Ongoing Administrative Expenses | 2,119,766 | 2,388,789 | 2,400,202 | 2,466,174 | 2,514,965 |
| Subtotal Expenditures | \$23,059,870 | \$25,422,628 | \$25,147,602 | \$25,213,574 | \$25,262,365 |
| COLA/MRA Reserve | 0 | 0 | 0 | 48,791 | 0 |
| Total Expenditures | \$23,059,870 | \$25,422,628 | \$25,147,602 | \$25,262,365 | \$25,262,365 |
| Total Disbursements | \$23,059,870 | \$25,422,628 | \$25,147,602 | \$25,262,365 | \$25,262,365 |
| Ending Balance | (\$298,217) | \$6,904 | \$558,354 | \$306,584 | \$306,584 |

¹ FY 2001 Revised Annual Contributions Budget and Housing Assistance Payments are based on approved FY 2000 Certificate and Voucher budgets and submitted New Construction budgets.

² Administrative Fees earned from other jurisdictions have been reduced to reflect the current trend of absorbing clients from other jurisdictions.

³ Miscellaneous Revenue includes Portability HAP reimbursements from other jurisdictions. The *FY 2000 Revised Budget Plan* of \$3,600,000 reflects the current trend of absorption, including an amount of \$1,000,000 for anticipated revenue that is due the FCRHA from other HAP jurisdictions.